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A Telecommunications Company

April 15, 2002

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tn. 37243-0505

Re: TRA Docket No. 02-00125-Tariff to Provide Rate Reductions to  
Offset a portion of the 2002 Tax Credit

Dear Mr. Waddell:

Attached are the responses to your letter dated April 10, 2002, requesting information about Ardmore Telephone Company's conversion to cost settlement. If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Terry M. Wales".

Terry M. Wales  
General Manager

Ardmore Telephone Company, Inc.  
TRA data request

- 1) Ardmore does separate its costs. See the attached copy of the NECA conversion letter.
- 2) Ardmore does receive high-cost support from the Federal Universal Service Fund.
- 3) 2001 USF High Cost is \$659,376 and 2000 USF High Cost is \$582,924.
- 4) 2001 Study Area Cost per Loop is **\$380.94** and 2000 Study Area Cost per Loop is **\$380.94**
- 5) The USOA account in which Universal Service High Cost support is booked is account 5082-0510.
- 6) The current cost per line is estimated to be **\$371.02**.
- 7) This is a projection done by NECA and is based on December 31, 2000 numbers.
- 8) Ardmore will true up their costs by July 31, 2002.
- 9) Universal service filings made on July 31, 2002 which are based on December 31, 2001 numbers will be paid out in 2003.
- 10) The 2001 USF payments received by Ardmore is based on a filing made on July 31, 2000 using December 31, 1999 numbers.
- 11) The 2002 USF payments that Ardmore is receiving are based on a filing made on July 31, 2001 using December 31, 2000 numbers.
- 12) The 2003 USF payments that Ardmore will receive will be based on a filing made on July 31, 2002 using December 31, 2001 numbers.
- 13) The 2004 USF payments that Ardmore will receive will be based on a filing made on July 31, 2003 using December 2002 numbers.



A Telecommunications Company

June 24, 1997

Ms. Claudia Smith  
National Exchange Carrier Association, Inc.  
2475 Northwinds Parkway - Suite 375  
Alpharetta, Georgia 30201

Dear Claudia:

Please accept this letter as formal notification that Ardmore Telephone Company wishes to convert to a cost basis of settlement effective July 1, 1997.

Our consultant, Jackson, Thornton, Inc., has forwarded our feasibility study. They will forward an EC1050 DME for the settlement month of July 1997 and a revised USF input form in the near future.

Please contact us should you need anything further.

Sincerely,

A handwritten signature in dark ink, appearing to read "Terry M. Wales", with a long, sweeping horizontal line extending to the right.

Terry M. Wales  
General Manager

TMW/cm

**TENNESSEE REGULATORY AUTHORITY**

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

April 10, 2002

Mr. Terry Wales  
Ardmore Telephone Company  
P.O. Box 549  
Ardmore, TN 38449

FAX: 256-423-2208

**Re: TRA Docket No. 02-00125 – Tariff to Provide Rate Reductions to  
Offset a Portion of the 2002 Tax Credit**

Dear Mr. Wales:

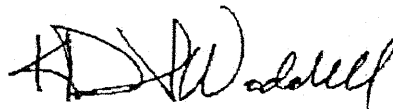
Ardmore Telephone recently filed its revised tariff in the above-referenced docket. To assist the Authority in its review of the revised tariff, please provide responses to the following:

1. Does Ardmore Telephone currently separate its costs between the interstate and intrastate jurisdictions for rate-setting purposes? If so, provide a copy of a letter to NECA indicating Ardmore Telephone's conversion from an average schedule company to a cost company. If not, explain why Ardmore Telephone took an \$8,840 Part 36/69 deduction in computing its net tax savings in the revised tariff filing.
2. Does Ardmore Telephone currently receive high-cost support from the Federal Universal Service Fund? If so, please provide responses to the remaining requests.
3. Provide the total amount of Universal Service high-cost support received for calendar years 2000 and 2001.
4. Provide the company's cost per line as calculated for Universal Service high-cost support purposes for 2000 and 2001.
5. Provide the USOA Account Number(s) in which Universal Service high-cost support payments are booked.
6. Provide the company's current cost per line as calculated for Universal Service high-cost support purposes.

7. What year's costs are used to compute the company's current cost per line reported in item no. 6, above?
8. Approximately when (month and year) will actual costs for 2002 be reported (or tried up) to NECA for use by the FCC in computing the company's cost per line and the national average cost for Universal Service high-cost support purposes?
9. In what year will the company receive Universal Service high-cost support payments based on the 2002 costs reported in item no. 8, above?
10. What year's costs were used to determine the company's Universal Service high-cost support payments for 2001?
11. What year's costs are being used to determine the company's Universal Service high-cost support payments for 2002?
12. What year's costs will be used to determine the company's Universal Service high-cost support payments for 2003?
13. What year's costs will be used to determine the company's Universal Service high-cost support payments for 2004?

Please provide your responses to the Authority by Tuesday, April 16, 2002. If you have any questions concerning this matter, contact Joe Shirley at 741-2904, extension 152.

Sincerely,



K. David Waddell  
Executive Secretary

cc: Original in Docket File  
R. Dale Grimes, Esq.  
Timothy C. Phillips, Esq.